

## **EXHIBIT 7**

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

IN RE: . Case No.02-13533 (AJG)  
.  
.  
WORLD COM, INC., et al., .  
.  
Debtor, . One Bowling Green  
New York, New York 10004-1408  
.  
April 11, 2006  
9:04 a.m.

**S E A L E D T R A N S C R I P T**

TRANSCRIPT OF HEARING  
BEFORE HONORABLE ARTHUR J. GONZALEZ  
UNITED STATES BANKRUPTCY COURT JUDGE

APPEARANCES:

For the Debtor: Weil, Gotschal & Manges, LLP  
By: ALFREDO R. PEREZ, ESQ.  
700 Louisiana, Suite 1600  
Houston, Texas 77002

For the United States of America and the Internal Revenue Service: United State Attorney's Office  
By: NICOLE GUERON, ESQ.  
Department of Justice  
33 Whitehall Street  
New York, New York 10004

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1 minute recess, and then I'll hear from the U.S. Attorney's  
2 Office on behalf of the IRS.

3 MS. GUERON: Thank you, Your Honor.

4 (Tape Off)

5 THE COURT: All right. Please be seated.

6 MR. PEREZ: Your Honor, Ms. Gueron reminded me, after  
7 the Court left, that we also have a motion for determination of  
8 refund rights and consolidation that we carried, I think, until  
9 today, and it's my understanding that the government does not  
10 oppose the motion. For procedural purposes, obviously, they  
11 oppose the motion on -- they oppose the relief requested in the  
12 motion on the merits. So, we'll confer with Ms. Gueron, have a  
13 form of order -- an agreed form of order submitted in the next  
14 few days. Okay?

15 MS. GUERON: That's fine.

16 MR. PEREZ: Is that all right with Your Honor?

17 THE COURT: That's fine.

18 MS. GUERON: Good morning, Your Honor. May it please  
19 the Court, Nicole Gueron, Assistant United States Attorney, for  
20 the Southern District of New York, for the United States of  
21 America and the Internal Revenue Service.

22 As a roadmap, Your Honor, first I'll make brief  
23 reference to the burdens of proof in this matter, and I'll  
24 describe the fundamentals of the government's argument as to  
25 why COBRA is taxable, and then rebut MCI's arguments against